BILL 266

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

INTRODUCED BY

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AN ACT

RELATING TO PUBLIC FINANCE; EXTENDING THE PERIOD FOR WHICH
CERTAIN UNEXPENDED APPROPRIATIONS SHALL BE CREDITED TO THE NEW
MEXICO RECOVERY AND REINVESTMENT FUND; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 6-4-2.5 NMSA 1978 (being Laws 2009,
Chapter 126, Section 1) is amended to read:

"6-4-2.5. NEW MEXICO RECOVERY AND REINVESTMENT FUND.--

A. The legislature finds that:

(1) the state is not eligible for an increase
to the federal medical assistance percentage provided in
Subsection (b) or (c) of Section 5001 of the federal American
Recovery and Reinvestment Act of 2009 if any amounts
attributable, directly or indirectly, to the increase are
deposited or credited into any reserve or rainy day fund of the

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1   state;

2   (2)   in order to ensure compliance with this

3   requirement, it is desirable to set up a fund separate and

4   apart from the state's general fund to capture unexpended

5   fiscal year 2009, 2010 or 2011 general fund appropriations

6   attributable to an increase to the federal medical assistance

7   percentage provided in Subsection (b) or (c) of Section 5001 of

8   the federal American Recovery and Reinvestment Act of 2009;

9   (3)   the separate fund will also enable the

10   state to clearly account to the federal government regarding

11   earnings and expenditures on unexpended fiscal year 2009, 2010

12   or 2011 general fund appropriations attributable to an increase

13   to the federal medical assistance percentage provided in

14   Subsection (b) or (c) of Section 5001 of the federal American

15   Recovery and Reinvestment Act of 2009; and

16   (4)   in the period of time during which the

17   fund will be available for expenditure, the fund will be used

18   to stabilize the state's budget in the event of revenue

19   shortfalls and to fund the state's share of the medicaid

20   program, thereby preserving jobs and minimizing reductions in

21   essential services, both of which are stated purposes of the

22   federal American Recovery and Reinvestment Act of 2009.

23   B.   The "New Mexico recovery and reinvestment fund"

24   is created in the state treasury. The fund shall consist of

25   money that is credited to the fund pursuant to Subsection C of

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1   this section, reversions to the fund of the unexpended balances

2   of appropriations from the fund, appropriations made to the

3   fund and investment income credited to the fund. Money in the

4   fund shall not revert to any other state fund at the end of any

5   fiscal year and shall not be expended for any purpose except as

6   provided in this section. Income from investment of the fund

7   shall be credited to the fund.

8   C. Notwithstanding the reversion provisions of

9   general appropriation acts or other laws, at the end of fiscal

10   year 2009, fiscal year 2010 and fiscal year 2011, the

11   unexpended balance of a general fund appropriation shall be

12   credited to the New Mexico recovery and reinvestment fund if

13   the secretary of finance and administration, in consultation

14   with the director of the legislative finance committee,

15   determines that the unexpended balance is attributable to an

16   increase in the federal medical assistance percentage provided

17   in Subsection (b) or (c) of Section 5001 of the federal

18   American Recovery and Reinvestment Act of 2009.

19   D. If revenue and transfers to the general fund at

20   the end of fiscal year 2009, 2010 or 2011 are not sufficient to

21   meet general fund appropriations, the governor, with state

22   board of finance approval, may transfer to the general fund

23   from the unappropriated balance of the New Mexico recovery and

24   reinvestment fund an amount up to the amount of the

25   insufficiency.

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E.   Except as provided in Subsection D of this section, the New Mexico recovery and reinvestment fund may be appropriated by the legislature solely for medicaid expenses in fiscal year 2010, fiscal year 2011 and the first quarter of fiscal year 2012; provided that any balance of an appropriation from the fund not expended within the period provided in the appropriation shall revert to the fund.

F.   The unexpended balance of the New Mexico recovery and reinvestment fund as of September 30, 2011 shall be returned to the federal government, unless federal law or regulation provides for a different disposition."

Section 2.   EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.

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